



www.fgllp.com

DWIGHT B. PALMER, JR., OF COUNSEL
(312) 357-1505

DWIGHTPALMER@SBCGLOBAL.NET

June 27, 2012

Via E-Mail

Claims Reporting Department
U.S. Fire Insurance Company
305 Madison Avenue
Morristown, NJ 07960
liabilitynol@cfins.com

Dear Sir or Madam,

We have been retained by the Trustee of the chapter 7 bankruptcy estate of D/C Distribution, LLC ("Debtor") as counsel to pursue insurance recovery for asbestos bodily injury claims made against the Debtor.

The Debtor (f/k/a D/C Distribution Corp., Amfac Distribution Corp. and WDS, Inc.) was a subsidiary of Amfac, Inc. at least for the period 1970-1995. We understand that U.S. Fire Insurance Company issued liability policies insuring Amfac, Inc., and its subsidiaries, including Debtor, for at least the period 7.1.81-7.1.87 (policy numbers 523 125356, 523 219816 and 523 425982 5). Documentation evidencing insurance issued by your company is attached.

Please confirm your insurance limits remaining for all policies insuring Amfac, Inc. and its subsidiaries, and any policies issued to Debtor in its own name. Please let us know how you would like us to proceed with presenting asbestos claims for payment.

If all insurance limits have been exhausted by payment of claims, please provide a sworn statement verifying payment, including an itemization of the claims paid, the dates paid, a description of each claim paid, the total amount of your limits paid, and the date of exhaustion of your limits.

Thank you for your attention to this matter.

Very truly yours,
FRANK/GECKER LLP,

A handwritten signature in cursive script that reads 'Dwight B. Palmer Jr.'.

By: Dwight B. Palmer, Jr.,
Of Counsel to the Firm.

DBP:ecp
cc: Joseph D. Frank, Esq.

AMFAC MANUSCRIPT UMBRELLA LIABILITY
AND EXCESS WORKERS' COMPENSATION

SECTION I - DECLARATIONS AND LIMITS OF LIABILITY

1. NAMED INSURED:

- A. AMFAC, INC., SUBSIDIARIES OF AMFAC, INC. (INCLUDING ANY SUBSIDIARIES THEREOF).
- B. ANY PARTNERSHIP, JOINT VENTURE, OR OTHER ENTITY UNDER MANAGEMENT OR OPERATING CONTROL OF (A) ABOVE.

2. HEADQUARTERS - ADDRESS:

50 O'FARRELL STREET
SAN FRANCISCO, CALIFORNIA

MAILING ADDRESS - RISK MANAGEMENT DEPARTMENT
P. O. BOX 7813
SAN FRANCISCO, CALIFORNIA 94120

3. TERM: FROM JULY 1, 1981 TO JULY 1, 1984

4. LIMITS OF LIABILITY:

THE COMPANY SHALL BE LIABLE FOR \$19,500,000 ULTIMATE NET LOSS EACH OCCURRENCE EXCESS OF EITHER:

- A. UNDER SECTION II - THE AMOUNT RECOVERABLE UNDER THE UNDERLYING INSURANCE(S) SET FORTH UNDER SCHEDULE A (OR ANY SUBSTITUTIONS OR REPLACEMENTS THEREOF), OR
- B. UNDER SECTION II AND III - A SELF INSURED RETAINED LIMIT OF \$500,000 ULTIMATE NET LOSS EACH OCCURRENCE WITH RESPECT TO ULTIMATE NET LOSS NOT COVERED BY THE UNDERLYING INSURANCE SET FORTH UNDER SCHEDULE A;

PROVIDED, THE COMPANY'S AND INSURED'S LIABILITY FOR ULTIMATE NET LOSS UNDER SECTION B ABOVE SHALL APPLY ON A COMBINED OCCURRENCE BASIS JOINTLY AS TO SECTIONS II AND III COVERAGE AGREEMENTS. IN THE EVENT OF SUCH COMBINED OCCURRENCE, THE COMPANY'S AND INSURED'S PARTICIPATION FOR ULTIMATE NET LOSS SHALL FIRST BE APPLIED TO SECTION III, THEREAFTER ANY REMAINING AVAILABLE LIABILITY TO SECTION II.

1. AGGREGATE LIMITS:

- A. THE TOTAL LIABILITY OF THE COMPANY UNDER SECTION II FOR ALL ULTIMATE NET LOSS TO WHICH THIS POLICY APPLIES SHALL NOT EXCEED \$19,500,000 IN THE AGGREGATE FOR EACH ANNUAL PERIOD SEPARATELY IN RESPECT TO ALL PERSONAL INJURY AND PROPERTY DAMAGE INCLUDED WITHIN THE PRODUCTS LIABILITY DEFINITION AS DEFINED HEREAFTER.

UMBRELLA LIABILITYAND EXCESS WORKERS' COMPENSATION

AGT. - ORIG & 1
 CO _____ CODING 1
 BRANCH/ATL
 C/S Frank Kinneth
 R/I T-RFC/1 America
 OTHER _____
 DATE 3/1/84 INIT (P)

THE UNITED STATES FIRE INSURANCE COMPANY, HEREIN CALLED THE COMPANY, AND
 THE INSURED, NAMED IN THE DECLARATIONS MADE A PART HEREOF, IN
 CONSIDERATION OF THE PAYMENT OF THE PREMIUM AND IN RELIANCE UPON THE
 STATEMENTS IN SECTION I AND SUBJECT TO THE LIMITS OF LIABILITY,
 EXCLUSIONS, CONDITIONS AND OTHER TERMS AND THIS POLICY AGREE AS FOLLOWS:

SECTION I - DECLARATIONS AND LIMITS OF LIABILITY

A. NAMED INSURED:

AMFAC, INC., AS PER DEFINITION A OF THIS POLICY

B. HEADQUARTERS - ADDRESS:

111 ANZA BOULEVARD
 BURLINGAME, CALIFORNIA

MAILING ADDRESS - RISK MANAGEMENT DEPARTMENT

P. O. BOX 7813

SAN FRANCISCO, CALIFORNIA 94120

NO FLAT CANCELLATIONS PERMITTED

C. TERM:

JULY 1, 1984 TO JULY 1, 1987

D. LIMITS OF LIABILITY:

THE COMPANY SHALL BE LIABLE FOR \$29,500,000 ULTIMATE NET LOSS EACH OCCURRENCE, EVENT, OFFENSE OR ACT, ERROR OR OMISSION IN EXCESS OF EITHER:

1. UNDER SECTION II - THE AMOUNT RECOVERABLE UNDER THE UNDERLYING INSURANCE(S) SET FORTH UNDER SCHEDULE A OR ANY RENEWALS OR REPLACEMENTS THEREOF, OR
2. UNDER SECTION II AND III - A SELF INSURED RETAINED LIMIT OF \$500,000 ULTIMATE NET LOSS EACH OCCURRENCE, EVENT, OFFENSE OR ACT, ERROR OR OMISSION WITH RESPECT TO ULTIMATE NET LOSS NOT COVERED BY THE UNDERLYING INSURANCE SET FORTH UNDER SCHEDULE A.

PROVIDED THE COMPANY'S AND INSURED'S LIABILITY FOR ULTIMATE NET LOSS UNDER SECTION D2 ABOVE SHALL APPLY ON A COMBINED OCCURRENCE BASIS JOINTLY AS TO SECTIONS II AND III COVERAGE AGREEMENTS. IN THE EVENT OF SUCH COMBINED OCCURRENCE, THE COMPANY'S AND INSURED'S PARTICIPATION FOR ULTIMATE NET LOSS SHALL FIRST BE APPLIED TO SECTION III, THEREAFTER ANY REMAINING AVAILABLE LIABILITY TO SECTION II.

E. AGGREGATE LIMITS:

1. THE TOTAL LIABILITY OF THE COMPANY UNDER SECTION II FOR ALL ULTIMATE NET LOSS TO WHICH THIS POLICY APPLIES SHALL NOT EXCEED \$29,500,000 IN THE AGGREGATE FOR EACH ANNUAL PERIOD SEPARATELY IN RESPECT TO ALL PERSONAL INJURY AND PROPERTY DAMAGE APPLICABLE TO PRODUCTS LIABILITY, COMPLETED OPERATIONS LIABILITY AND PROFESSIONAL LIABILITY.
2. THE TOTAL LIABILITY OF THE COMPANY UNDER SECTION III FOR ALL ULTIMATE NET LOSS TO WHICH THIS POLICY APPLIES SHALL NOT EXCEED \$29,500,000 IN THE AGGREGATE FOR EACH ANNUAL PERIOD WITH RESPECT TO ALL OCCUPATIONAL DISEASE SUSTAINED BY ALL EMPLOYEES OF THE NAMED INSURED ARISING OUT OF AND IN THE COURSE OF THEIR EMPLOYMENT.

F. NON-CONCURRENCY:

WITH RESPECT TO COVERAGE A, IF THE PERIOD OF THE UNDERLYING INSURANCE SET FORTH UNDER SCHEDULE A (INCLUDING RENEWALS OR REPLACEMENTS THEREOF) WITH RESPECT TO WHICH THIS POLICY APPLIES AS EXCESS, IS OR MAY BE NON-CONCURRENT WITH THE PERIOD OF THIS POLICY, THIS POLICY, NEVERTHELESS, IN THE EVENT OF REDUCTION OR EXHAUSTION OF THE AGGREGATE LIMIT OR LIMITS OF LIABILITY UNDER SAID UNDERLYING INSURANCE, SHALL:

This endorsement effective July 1, 1985
forms part of policy number 523 219816
issued to AMTAC, INC. ETAL.
By United States Fire Insurance Company

In consideration of the premium charged, it is agreed that pages 1 through 34 of Policy #523 219816 and Endorsements #1 and #2 to the same policy are amended and/or replaced by the Defender Commercial Comprehensive Catastrophe Liability policy (hereinafter referred to as "The Policy"), Form #L-4021 J (8-78), attached, and the following 13 endorsements (#4 through #16).

All other terms and conditions of this policy remain unchanged.

Authorized Representative

THE DEFENDER

Commercial Comprehensive
Catastrophe Liability Policy

